

# PM's challenge to Asean

‘Tax international businesses to help develop poorer nations’

From Ashraf Abdullah in Singapore

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ACCEPTING the “Once-a-Lifetime Asean Achievement Millennium Award” bestowed on him last night, Prime Minister Datuk Seri Dr Mahathir Mohamad threw a challenge to Asean countries to advocate his idea of taxing international businesses to help develop poorer nations.

Describing his views as those of a “universal recalitrant”, Dr Mahathir said the move could create a more equitable world.

“I hope Asean countries will dare advocate this idea,” he said in his acceptance speech after he was presented with the award by the Asean Business Forum — a private sector business partnership among Asean countries.

The award is to honour Dr Mahathir for turning Malaysia into an exemplary and dynamic nation. He received the award from former Singapore President Wee Kim Wee, who had once served as the island republic’s High Commissioner to Malaysia.

The other recipient of the award was Singapore’s Senior Minister Lee Kuan Yew whose stewardship enabled Singapore to rise to the ranks of a First World country within three decades.

The Langkawi Crystal presented to the Prime Minister, among others, was laser-engraved with the following words:

“The Asean Business Forum presents the Asean Achievement Millennium Award to the Honourable Datuk Seri Dr Mahathir Mohamad for his unique achievement of providing the vision, commitment and the impetus for transforming a multi-ethnic, multi-religious, multi-cultural Malaysia to become a vibrant and dynamic nation that has become exemplary and the hallmark of success for other countries to follow and emulate.”

Besides the crystal, Dr Mahathir and Lee also received a specially-minted piedfort medallion which for the first time features the effigies of both leaders together on the commemorative coin. It was specially made by The Singapore Mint.

The black-tie Asean Achievement Awards dinner, jointly organised by the ABF and Asian Strategy and Leadership Institute (Asli), was attended by some 600 business leaders from Malaysia and Singapore.

Dr Mahathir argued that countries which became rich as a result of the borderless world which afforded unlimited opportunities for profits should return some of the proceeds to the world.

“The money can be used to build needed infrastructure in the poor countries, infrastructure which as we all know will stimulate economic development. When the poor are enriched, they will be more ready to buy the goods and services of the rich.”

Dr Mahathir said the rich would not lose by paying for the infrastructural development of the poor.

In fact, the rich will get back their money many times over.

“So the rich should accept that as the rich citizens of a borderless world they should pay a minute tax to be used to help the poor.”

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# 'Time poorer nations shaped world policies'

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He said it was about time that poorer nations. Asean members included, took over the role of Shaping world policies from the West.

"Asean is credible and relative15 strong. It can play a role in bringing about a more equitable world economic order.

"Hut it must not think of its own interests only. Certainly it must not allow the interests of an individual country to supersede that of the group and the region."

Dr Mahathir reminded the audience that it was the currency trade which resulted in a financial crisis of unprecedented severity in 1997.

"Are we going to accept globalisation without question, a globalisation conceived and interpreted by the rich countries, which is manifestly in their interest?"

In this regard, Dr Mahathir said, now here should Asean countries be more united than in the negotiations for a new world economic order which would take place in the World Trade Organisation.

"The first round of the negotiation resulted in various undertakings by the proponents, which to date have not been fulfilled. We have not seen the flow of capital in the direction of developing countries, which we were told would happen. Indeed we have seen just the opposite, a massive outflow of capital from our countries, which

has almost completely destroyed our economies.

"Now a new round is proposed in which non-trade issues on labour standards, human rights and democracy are being linked as conditions for trade and investment."

Although these issues are important and they should be promoted, there are other forums for discussing them. "Making them conditions for trade and investment will retard the growth of many developing countries."

Dr Mahathir said what was frightening was the preparation being made by the rich to take full advantage of the WTO and the free borderless market.

"We see the huge corporations and banks of the rich already merging and acquiring each other so that they become colossal and unbeatable."

So strong would the corporations become that they would be able to dictate what nation states should do, Dr Mahathir warned.

In this regard, he urged Asean membersto come together to negotiate the demand for a new round of WTO talks.

"If Asean is to be meaningful it must look after the interest of all its members."

Although some Asean nations may be of the view that globalisation will benefit them, the effect on all countries, rich and poor, must be fully understood and assessed

before any support can be given to the formulation of a new international trade and investment regime.

"Since countries are at different stages of development, it is unrealistic to insist that everyone 'must adopt standard policies and practices."

"The poor must be given a lot of leeway, protection and time. The rich are not going to be destroyed if there is some delay and some regulations in the implementation of standard practices."

Lee's speech was dominated by the economic prospects of the region which had lost much foreign direct investment to China.

He said Asean members would be sidelined unless investors could use the advantages of the different countries in the grouping to site manufacturing for the Asean mar-

ket and the rest of the world.

He also said that Asean could, as a group and as individual member nations, forge stronger connections with the major economies to increase trade and investment flows.

Lee said that when he was offered the award, he had asked his Ministry of Trade and Industry for its views, and the feedback was that he, together with Dr Mahathir, should draw attention to Asean member's capacity to recover. It said it would be worth the effort but it would take time before the high tide returned.

Lee said recent developments were promising, noting the new leaderships in Indonesia, Thailand and the Philippines. In Malaysia, "Dr Mahathir is clearly in full command".